



Senate

General Assembly

February Session, 2006

File No. 329

Senate Bill No. 196

Senate, April 4, 2006

The Committee on Environment reported through SEN. FINCH of the 22nd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE RECYCLING OF ELECTRONIC DEVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2006*) As used in sections 2 to 4,
2 inclusive, of this act:

3 (1) "Covered electronic device" means an item containing a cathode
4 ray tube, cathode ray tube device, flat panel screen or any other similar
5 video display device with a screen size of more than four inches
6 measured diagonally, but does not mean automobile equipment or a
7 large piece of commercial or industrial equipment, including, but not
8 limited to, commercial medical equipment, that contains a cathode ray
9 tube, cathode ray tube device, flat panel screen or other similar video
10 display device that is not separate from the larger piece of industrial or
11 commercial equipment.

12 (2) "Authorized collector" means an authority, as defined in section
13 7-273aa of the general statutes, an operating committee created

14 pursuant to subsection (c) of section 22a-221 of the general statutes, a
15 municipality or a private entity that an authority, operating committee
16 or municipality contracts with to provide for electronics recycling.

17 (3) "Electronics recycling" means (A) to engage in the separation of
18 covered electronic devices to recover components and commodities
19 contained within such devices for the purpose of reuse or recycling,
20 and (B) to change the physical or chemical composition of a covered
21 electronic device to segregate components, for purposes of recovering
22 or recycling those components.

23 (4) "Retailer" means a person, including, but not limited to, a
24 manufacturer, who sells an electronic device to a consumer.

25 (5) "Sell" or "sale" means any transfer, for consideration, of title or of
26 right to use, by lease or sales contract.

27 Sec. 2. (NEW) (*Effective October 1, 2006*) (a) There is created, within
28 the Environmental Quality Fund established under section 22a-27g of
29 the general statutes, an account to be known as the "electronics
30 recycling account". Notwithstanding the provisions of section 22a-27g
31 of the general statutes, any moneys collected in accordance with
32 section 3 of this act shall be deposited in the Environmental Quality
33 Fund and credited to the electronics recycling account. Any balance
34 remaining in the account at the end of the fiscal year shall be carried
35 forward in the account for the fiscal year next succeeding.

36 (b) The proceeds of the account shall be used: (1) For reimbursement
37 to authorized collectors, in accordance with section 4 of this act, to
38 offset the costs incurred in conducting electronics recycling, (2) to
39 provide for costs of the Commissioner of Environmental Protection to
40 administer, implement and enforce the provisions of section 4 of this
41 act, and (3) for the Commissioner of Environmental Protection to
42 establish a public information program to educate the public
43 concerning (A) the hazards of improper covered electronic device
44 storage and disposal, and (B) the opportunities to recycle covered
45 electronic devices.

46 Sec. 3. (NEW) (*Effective October 1, 2006*) (a) Each retailer of a covered
47 electronic device shall pay to the Commissioner of Revenue Services a
48 fee on the sale at retail of any such device in accordance with the
49 following: (1) Six dollars for a covered electronic device with a screen
50 size of less than fifteen inches measured diagonally; (2) eight dollars
51 for a covered electronic device with a screen size of more than fifteen
52 inches but less than thirty-five inches measured diagonally; and (3) ten
53 dollars for a covered electronic device with a screen size of thirty-five
54 inches or more measured diagonally.

55 (b) Each retailer of a covered electronic device shall submit a return
56 quarterly to the Commissioner of Revenue Services, applicable with
57 respect to the calendar quarter beginning January 1, 2007, and each
58 calendar quarter thereafter, on or before the last day of the month
59 immediately following the end of each such calendar quarter, on a
60 form prescribed by the commissioner, together with payment of the
61 fees collected during the previous quarter under this subsection, minus
62 three per cent, which percentage may be retained by the retailer for
63 administrative costs associated with collecting the fee.

64 (c) The Commissioner of Revenue Services shall cause copies of a
65 form prescribed for submitting returns as required under this section
66 to be distributed throughout the state. Failure to receive such form
67 shall not be construed to relieve anyone subject to the fee under this
68 section from the obligations of submitting a return, together with
69 payment of such fee within the time required.

70 (d) The provisions of sections 12-548 to 12-554, inclusive, of the
71 general statutes and sections 12-555a and 12-555b of the general
72 statutes shall apply to the provisions of this section in the same
73 manner and with the same force and effect as if the language in said
74 sections had been incorporated in full into this section and had
75 expressly referred to the fee imposed under this section, except to the
76 extent that any such provision is inconsistent with a provision of this
77 section and except that the term "tax" or "tax imposed under the
78 provisions of this chapter" shall read as "electronic device fee".

79 (e) On and after July 1, 2007, and at least once every two years
80 thereafter, the Commissioner of Revenue Services, in consultation with
81 the authorized collectors, shall review, at a public hearing, the fees
82 imposed pursuant to this section to ensure that there are sufficient
83 revenues in the electronics recycling account for the Commissioner of
84 Environmental Protection to reimburse authorized collectors pursuant
85 to section 4 of this act. In this review, the commissioner shall consider
86 (1) the sufficiency, and any surplus, of revenues in the account to fund
87 the collection, consolidation and recycling of one hundred per cent of
88 the covered electronic waste that is projected to be recycled in the state,
89 and (2) the sufficiency of revenues in the account for the commissioner
90 to administer, enforce and promote the program established pursuant
91 to said section 4, in addition to a prudent reserve not to exceed five per
92 cent of the amount in the account. The commissioner shall, not later
93 than October first of the year of the subject review, submit a report to
94 the joint standing committees of the General Assembly having
95 cognizance of matters relating to the environment and finance with
96 recommendations regarding an adjustment of said fees.

97 Sec. 4. (NEW) (*Effective October 1, 2006*) (a) An authorized collector
98 that engages in electronics recycling shall be eligible to receive
99 reimbursement from the electronics recycling account, established in
100 section 2 of this act, provided the authorized collector conducts its
101 activities relating to electronics recycling in accordance with the
102 provisions of chapters 445, 446d and 446k of the general statutes and
103 any regulations adopted pursuant to said chapters 445, 446d and 446k.
104 Reimbursements shall be in an amount equal to the number of covered
105 electronic devices recycled by the authorized collector for the previous
106 year in accordance with the following schedule: (1) Six dollars for a
107 covered electronic device with a screen size of less than fifteen inches
108 measured diagonally; (2) eight dollars for a covered electronic device
109 with a screen size of more than fifteen inches but less than thirty-five
110 inches measured diagonally; and (3) ten dollars for a covered
111 electronic device with a screen size of thirty-five inches or more
112 measured diagonally.

113 (b) The Commissioner of Environmental Protection shall reimburse
114 an authorized collector after receiving a statement certified by the chief
115 financial officer or the treasurer of the authorized collector that
116 includes the number of covered electronic devices recycled in the
117 previous year. An authorized collector that receives reimbursement
118 from the electronics recycling account shall not charge a fee for the
119 recycling of covered electronic devices.

120 (c) The Commissioner of Environmental Protection shall adopt
121 regulations, in accordance with the provisions of chapter 54 of the
122 general statutes, to implement the provisions of this section.

123 Sec. 5. Section 22a-27g of the general statutes is repealed and the
124 following is substituted in lieu thereof (*Effective October 1, 2006*):

125 (a) There is established a fund to be known as the "Environmental
126 Quality Fund" which shall be held by the Treasurer. Within the
127 Environmental Quality Fund, there is established and created an
128 account to be known as the "environmental quality account". The
129 Environmental Quality Fund may include other accounts separate and
130 apart from the environmental quality account. [Notwithstanding any
131 provision of the general statutes to the contrary] Except as provided in
132 sections 22a-27k, 22a-27m, 22a-27q, 22a-233, 22a-241, 22a-449c, as
133 amended by the 2006 supplement to the general statutes, 22a-451 and
134 section 2 of this act, any moneys required by law to be deposited in the
135 Environmental Quality Fund shall be deposited therein and credited to
136 the environmental quality account. Any balance remaining in the
137 environmental quality account at the end of any fiscal year shall be
138 carried forward in the environmental quality account for the fiscal year
139 next succeeding. [The] Notwithstanding any provision of the general
140 statutes, the environmental quality account shall be used by the
141 Department of Environmental Protection for the administration of the
142 central office and environmental quality programs authorized by the
143 general statutes.

144 (b) [Notwithstanding any provision of the general statutes, on and
145 after July 1, 1990, the] The amount of any fee received by the

146 Department of Environmental Protection which is attributable to the
 147 provisions of sections 22a-6, 22a-6d, 22a-27i, 22a-134e, as amended,
 148 22a-135, as amended, 22a-148, 22a-150, 22a-174, 22a-208a, 22a-342, 22a-
 149 363c, 22a-372, 22a-379, 22a-409, 22a-430, as amended, 22a-449, as
 150 amended, 22a-454 to 22a-454c, inclusive, 22a-361 and 26-194, or any
 151 regulation adopted or amended pursuant to section 22a-6 or pursuant
 152 to any other provision of this title, shall be deposited directly into the
 153 Environmental Quality Fund established by subsection (a) of this
 154 section and credited to the environmental quality account. The
 155 Commissioner of Environmental Protection shall annually certify to
 156 the Treasurer, with respect to each such fee [received on and after July
 157 1, 1990,] the amount of such fee which shall be credited to the General
 158 Fund.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	New section
Sec. 2	<i>October 1, 2006</i>	New section
Sec. 3	<i>October 1, 2006</i>	New section
Sec. 4	<i>October 1, 2006</i>	New section
Sec. 5	<i>October 1, 2006</i>	22a-27g

ENV *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Department of Environmental Protection	GF/EQ - Cost/Revenue Gain	See Below	See Below
Department of Revenue Services	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 07 \$	FY 08 \$
All Municipalities	See Below	See Below	See Below

Explanation

The bill creates an electronics recycling program funded by fees on the retail sale of electronic devices such as computer monitors and televisions. The fees are remitted to a new account created in the bill called the electronics recycling account within the Environmental Quality Fund of the Department of Environmental Protection (DEP). The account will be used to reimburse authorized collectors who recycle the devices and used to pay to administer and implement the program, and create a public information program. Based on data from the California program, sufficient revenue could be generated from fees to run the program, however, it is anticipated that initial funding would be necessary to establish the program.

The bill is anticipated to result in a one-time cost of \$200,000 in FY 07 to the Department of Revenue Services (DRS) for programming costs to incorporate the recycling program into the Department's integrated tax administration program. In addition, it is anticipated that the DRS will require 2 full time employees at a cost \$130,000 in FY

07 plus fringe benefits¹ and associated ongoing other expense costs of \$20,000 a year to administer the electronics recycling program.

It is estimated that the DEP will require 2-4 full time employees at a cost of \$125,000 - \$250,000 in FY 07 plus fringe benefits² and associated other expenses of \$10,000 - \$25,000 a year. The DEP must administer, enforce and promote the program. Additional costs would be incurred for promotional activities, depending upon the scope of the program to be implemented.

It is anticipated that a municipal or regional resource recovery authority that acts as a collector would be reimbursed through the electronic recycling fee account.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The estimated first year fringe benefit rate as a percentage of payroll is 23.6%, effective July 1, 2005. The first year fringe benefit costs for new positions do not include pension costs. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System (SERS). The SERS 2005-06 fringe benefit rate is 34.7%, which when combined with the non pension fringe benefit rate would total 58.3%.

² The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The estimated first year fringe benefit rate as a percentage of payroll is 23.6%, effective July 1, 2005. The first year fringe benefit costs for new positions do not include pension costs. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System (SERS). The SERS 2005-06 fringe benefit rate is 34.7%, which when combined with the non pension fringe benefit rate would total 58.3%.

OLR Bill Analysis
SB 196***AN ACT CONCERNING THE RECYCLING OF ELECTRONIC DEVICES.*****SUMMARY:**

This bill creates an electronics recycling program funded by fees on the retail sale of covered electronic devices (device), such as computer monitors and televisions. Retailers remit the fees to an electronics recycling account the bill creates. The Department of Environmental Protection (DEP) commissioner must use money from the account to reimburse authorized collectors who recycle the devices and must adopt regulations to implement the program.

EFFECTIVE DATE: October 1, 2006

ELECTRONICS RECYCLING PROGRAM***Authorized Collectors and Covered Electronic Devices***

Under the bill, an authorized collector is a (1) municipal or regional resources recovery authority; (2) committee representing a municipality that is party to a solid waste disposal contract; (3) municipality; or (4) private entity that contracts with an authority, committee, or municipality to provide for electronics recycling. Authorized collectors are eligible to be reimbursed from the electronics recycling account if they recycle in compliance with hazardous waste, solid waste management, and water pollution control laws and regulations.

Electronics recycling means (1) separating devices to recover components and commodities they contain for reuse or recycling and (2) changing the physical or chemical composition of a device to segregate components to recycle or recover them.

Under the bill, a covered electronic device is an item containing a cathode ray tube (CRT), CRT device, flat panel screen, or similar video display with a screen size of at least four inches measured diagonally. It does not include automobile equipment or a large piece of commercial or industrial equipment, such as commercial medical equipment containing an electronic device that is physically integrated into the equipment. It is not clear if a personal computer's central processing unit that is separate from the display screen is a device under the bill.

FEE FOR RETAIL SALE OF COVERED ELECTRONIC DEVICES

Anyone who sells or leases a device to a consumer must remit to the Department of Revenue Services (DRS) the following fees for each device sold or leased: \$6 for a device with a video display screen measuring less than 15 inches diagonally; \$8 for a device with a screen measuring between 15 and 35 inches diagonally, and \$10 for a screen of 35 inches or more. The fees are deposited in an electronics recycling account, which the bill creates (see below).

Retailers, which include manufacturers, must remit the fees to the DRS commissioner on a quarterly basis, starting with the quarter beginning January 1, 2007. Retailers must submit a return, on a form the commissioner prescribes, together with the fees collected in the previous quarter, minus 3%, which the retailer may retain for administrative costs. They must submit these returns by the last day of the month immediately following the end of each calendar quarter (i.e., by April 30 for the quarter ending March 31). The DRS commissioner must distribute copies of the return form throughout the state. A retailer's failure to obtain the form does not relieve it of its obligation to submit a return and payment in the time required.

The bill applies laws relating to tax deficiency assessments, refund claims, and hearing and appeals procedures to the program.

ELECTRONICS RECYCLING ACCOUNT

Purposes of the Account

The bill creates an electronics recycling account in the Environmental Quality Fund. The DEP commissioner must use the account to (1) reimburse authorized collectors for their recycling costs; (2) administer, implement, and enforce the electronics recycling program; and (3) create a public information program about (a) the hazards of improper device storage and disposal and (b) electronics recycling opportunities. Any balance remaining at the end of a fiscal year must be carried forward to the next fiscal year.

Reimbursement from the Account

The DEP commissioner must reimburse each collector for the number of devices collected in the previous year, at the appropriate \$6, \$8, or \$10 rate per device, after receiving a certified statement including that information from the collector's chief financial officer or treasurer. Authorized collectors receiving such reimbursement cannot charge a fee for recycling.

REVIEW OF FEE SCHEDULE

The DRS commissioner must review the fees at a public hearing every two years, starting on or after July 1, 2007, to ensure there is enough money in the recycling account for the DEP commissioner to reimburse authorized collectors. The DRS commissioner must consult with authorized collectors in conducting the review. She must consider whether there is enough money in the account (1) to fund the collection, consolidation, and recycling of all the covered electronic waste projected to be recycled and (2) for the DEP commissioner to administer, enforce, and promote the program, plus a reserve of up to 5% of the money in the account. The DRS commissioner must submit a report to the Environment and Finance, Revenue and Bonding committees regarding any recommended fee adjustments by October 1 of the year of the review.

OTHER CHANGES

The Environmental Quality Fund includes an environmental quality account and other accounts used for specific purposes. The bill requires that all money credited to the fund be deposited in the

account, except for funds specifically credited to the electronics recycling account and the following accounts: (1) Long Island Sound, (2) the air emissions permit operating fee, (3) hazard mitigation and floodplain management, (4) solid waste, (5) municipal solid waste recycling trust, (6) underground storage tank clean-up, and (7) emergency spill response. The DEP commissioner must use the environmental quality account to administer the central office and for environmental quality programs, regardless of any other law.

COMMITTEE ACTION

Environment Committee

Joint Favorable

Yea 24 Nay 4 (03/20/2006)